

# **EXHIBIT D**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION**

**CASE NO.: C-1-01-641**

**Q & R ASSOCIATES, INC.,**

**Plaintiff,**

**vs.**

**UNIFI, INC., et al,**

**Defendants.**

**DEPOSITION**

**COPY**

**WITNESS: MICHAEL EUGENE DELANEY**

**TAKEN AT THE OFFICES OF:  
UNIFI TECHNICAL FABRICS, LLC  
7201 West Friendly Avenue  
Greensboro, NC 27401**

**DATE: 2-23-04  
TIME: 9:37 A.M.**

**REPORTER: DALE L. RING  
CHAPLIN & ASSOCIATES, INC.**

**CHARLOTTE (704) 335-1954 TRIAD (336) 992-1954 RALEIGH (919) 807-1954**

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1 know. If there was a reason, I can't -- I  
2 couldn't answer that. But typically we like them.

3 Q. (Mr. Packard) And we saw the  
4 correspondence earlier talking about the need for  
5 one back in March. Do you recall that?

6 A. Uh-huh (yes). Yes.

7 (PLAINTIFF'S EXHIBIT  
8 NUMBER 12 WAS MARKED  
9 FOR IDENTIFICATION)

10 Q. (Mr. Packard) Okay, I've handed you a  
11 document marked Plaintiff's Exhibit 12.

12 A. Uh-huh (yes).

13 Q. Can you tell me what that document is?

14 A. It's a summary of the proposal.

15 Q. Is this a draft of the letter of intent  
16 that you were referring to earlier?

17 MR. WENDLING: Objection.

18 THE WITNESS: Well, it's a signed  
19 copy, so... What do you mean?

20 Q. (Mr. Packard) Is this the letter of  
21 intent?

22 A. I'm trying to remember the dates because  
23 if it doesn't have a million dollars in it, it's  
24 not the binding.

25 (Witness examined document)

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1           A.    It's a discussion -- an agreement to  
2   work towards drafting a binding letter.

3           Q.    If you look at page four, it looks like  
4   Charles McCoy signed that document as well?

5           A.    Yeah.

6           Q.    This was not the letter of intent you  
7   were discussing, though, earlier. Correct?

8           A.    The binding letter of intent? No.

9           Q.    What was this document?

10          A.    It's what I just said, which is the --  
11   you know, I'm not sure. It looks like the non --  
12   like a non-binding.

13          Q.    Did you ever have a chance to look at  
14   AVGOL's due diligence report from Ernst & Young?

15          A.    No, not that I recall.

16          Q.    Were you involved in any way in their  
17   due diligence? Did they talk to you or did they  
18   have ---

19          A.    No.

20          Q.    Did you provide any information during  
21   that time?

22          A.    I did not personally.

23          Q.    Okay. Did you supervise somebody who  
24   did?

25          A.    Well, I assume Ron Smith was involved

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1 with that.

2 Q. Okay.

3 A. And I know he was working with, you  
4 know, whoever would be required to get the  
5 information.

6 (PLAINTIFF'S EXHIBIT  
7 NUMBER 13 WAS MARKED  
8 FOR IDENTIFICATION)

9 Q. (Mr. Packard) Take a look at that.  
10 That's a document marked Plaintiff's Exhibit 13.  
11 (Witness examined document)

12 A. Better guard my pen. I'm tempted to  
13 write.

14 Q. Have you had a chance to look at  
15 Plaintiff's Exhibit 13?

16 A. Yeah.

17 Q. And what is that document?

18 A. That looks like the binding letter of  
19 intent.

20 Q. And that's dated May 11th, 2001?

21 A. Right.

22 Q. Now, in your mind, by that -- that is  
23 the date by which Unifi had decided to sell?

24 A. That's the date when I finally decided  
25 that they were serious, frankly. I didn't -- I

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1 really wasn't sure they were going to do this.

2 That's why we asked them to put a million dollars

3 on it.

4 Q. And take a look at the signature page on  
5 that.

6 A. Yeah.

7 Q. Is that your signature?

8 A. That's me.

9 Q. Paragraph three of the agreement, the  
10 second paragraph says, "On or before May 15th,  
11 2001, purchaser will pay to you a down payment of  
12 one million dollars to be held pursuant to the  
13 terms of the deposit letter dated the date  
14 hereof." And then they go on to define the  
15 deposit letter.

16 A. Right.

17 Q. Did you -- did Unifi receive a down  
18 payment of one million dollars on or before  
19 May 15th, 2001?

20 A. They did.

21 Q. Is that the million dollars you were  
22 talking about earlier?

23 A. That's it.

24 Q. Okay.

25 (PLAINTIFF'S EXHIBIT